

## C. A Rousser

SUMMARY: C.A. Rousser, a real estate consultant talks to Pat Jasper about his career on the waterfront. His journey from a farm in Amarillo to one of the most influential positions at the Port of Houston. He speaks about a few of his property deals. He also talks about containerization, the Port Authority investing money to expand its international presence, and the underlying rivalry between Houston and Galveston.

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Home of C.A. Rousser in Katy, TX on Nov 15, 2011

Born and raised on a farm in Amarillo, TX. Went to school, played football and basketball. Went to Texas Tech. Came to Houston after studying in Phoenix after friend in real estate suggested it. Interviewed with the Houston Ship Channel Navigation District. Started there as a marketing sales rep, developed business for the port - cargos and ships etc. Promoted. Then as a General Sales Manager. responsible for all sales reps at the Authority. Office in New York. Represented Houston as a general port. Generate economic activity for the port. in 1972 was made Director of Trade Development, that included not only marketing but also PR, advertising, media, research, analysis etc. Traveled all around the world talking to traders and importers, exporters to suggest and convince them to bring ships into Houston. during the container revolution. Helped to get bond elections passed. In 1982, resigned to do other things. DOing mostly real estate.

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Real estate business mostly connected with the port. 65 acre facility with a few docks and a slip off the channel. BOught the place by looking up the list of the Independent Stevedores and terminal operators in D.C. Hank Mylum was run out of Houston for being non union on Port Authority Docks. TExas Terminal was bought by John Goreman. 65 acres, 3 docks, privately owned, non union.

Galena park. 100 acres, general cargo docks, docks, warehouses. Right off Clinton drive in Galena Park. Bought it for the client once before for 32million. Non union stevedore names McPherson. Trying to get into the Galveston Docks. Asked to go to Galveston by Jim McPherson. He had applied for stevedoring license in the port of galveston. Encountered 300 people in the boardroom, mostly longshoreman. Agnostic when it comes to Union Matters. Passed a proposal whereby he was able to get a license in the port of galveston. All hell broke less. Got tough. people in attendance cursed the board members, chairman. Chairman was all flustered and called for recess. 20minutes later, reconvened and then reversed the vote. Denied McPherson a license. Tried to put together \$16 million. Port Authority found out. Port authority did not want non union person to own significant property on ship channel. So Port authority competed against McPherson to buy the facility. Port Authority won. Have clients like cement companies.

North Texas Cement bought 72 acres on Houston Ship Channel. represented them on purchase of property. Company from San Antonio known as Alamo Cement bought 88 acres on the ship channel near Galena Park. Texas Port Recycling and Lone Star terminal represented them during purchase of property.

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Toughest things in front of the city is the economy. Very difficult to find property on the Houston ship channel. Not too much of it. Widening and deepening of the Cedar Bayou barge canal into 1000s of acres of property. South side of the ship channel in the turning basin area are old docks which area almost 30 yrs old, used to be called Long Reach docks, port authority bought those from Anderson Clayton. Did not do anything to them. Except for a non union operation in there. they got in there because non union threatened to sue the Port Authority if they were not let in. Called Impart Stevedores. Port Authority has been guilty of overemphasizing containerization at Barber's Cut and BayPort. They deserve emphasis and finding and not at the penalty of long time customers, break bulk customers, conventional shipping customers.

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Manchester Terminal is the perfect example of private enterprise on the ship channel. Earlier tried to enhance business for everybody not just the Port Authority facilities. That attitude changed and now believe private facilities to be their adversaries and competitors. Not sure that is right. Manchester Terminal - 3 docks, 75 acres. MT was in bankruptcy. Had a client interested in buying it. Hubb Finklestein decided to buy the place at \$6 million. Port Authority wanted to also buy it and decided to bid against Hubb Finklestein. HF bought it for \$7.5 million. Greensport - just down stream from the Washbourn tunnel. Old Aramco steel plant, 600 acres. developed into an industrial park. Partnered up and tried to own it. 1080 ft of workable dock space right now. Very unique space on Gulf Coast and US and money making place. Very efficient and privately owned.

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1956 - first container ever from New jersey to Houston. Malcolm Mclane - Father of containerization, formed a company called Sealand later Port Authority decided in the late 60s to go downstream and have more room to expand for containers, that brought Barbers Cut on. Most significant container port in the Gulf of Mexico. Containerization broadened the market reach of Houston. Not uncommon to attract cargo for Europe from the west coast. it will be moved by rail to Houston and then put on a ship to europe. Much easier to do now than before. Started losing Asian business to the west coast but gained business to Europe. Mini bridge - all cargo not only cotton would leave Houston, go to Long Beach, go to Asian ports. Port authority objected and had hearings before federal maritime commission. The rates that were being charged to the exporter while sending goods on a container included the cost for ocean and rail freight. Put together that

cost was less than paying for each individual route. With the talk of expanding the Panama canal there is also talk of that business coming back to Houston.

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Port authority began to allocate money to expand its international presence. Back then there was little international travel by Port Authority. Then there was significant grain movement from the Port of Houston to Russia. Went on a business trip there and had many successful meetings at Leningrad and Moscow. Two kinds of trips overseas one can do for Port Authority. "One is PR, raise a flag kind of trip. The other one is a hard-nose, business appointment with the CEO sitting around to talk nitty-gritty." Preferred the latter. Have to do a certain amount of PR. Now a 130,000 tons of coffee come through the Port these days, earlier just 40,000 tons of coffee. Compared to 2-3 million tons of steel cargo that is not a lot, but it is important.

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Were representing the port as a whole overseas and not just the Port of Houston Authority. Trip to Nigeria sponsored by the Texas Southern University, Spent a week in Lagos.

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Back in the early 60s, ILA union working the ships were segregated. All came about with the Civil Rights Act. Changes in the Port Authority - Always had the attitude to run the business like it was private. Port authority board is much larger. Much more political, unfortunately. More politically correct. Used to hire people on basis of ability.

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When starting a business either with the Port Authority or with a private enterprise - who is going to do a better job? Born conservative and always resented the government and lack of efficiency and motivation. Private enterprises are more conscious of the money. It is not just tax payers money. Efficiently conscious and non union.

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strike of 68. Was working but very low down the ladder. Don't remember much about it since wasn't involved. Remember the strike. Privatization. Barber's Cut is run by the Port Authority. Bayport also run by PA. Should privatize everything else that the port authority owns including all the docks in the Turning basin area. Must privatize fairly. Been concerned about how privatization that was done was handled. Was it done on a fair enough basis. Think privatization would be healthy for the port as a whole. Also healthy for the port of Houston. Port authority buys a 100 acres or so down in Galveston for a new container terminal called Pelican Island. Instead of building a cruise terminal.

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Houston has enough economic activity going on to not be ignored. Lot of good people. George Altmeyer, Chuck Bullock, Bob Curtis. Were contemporaries and colleagues. Personalities made them special. Capital Club.

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Only first class hotel ever stayed in was in Amarillo, TX.

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Positioning of the Port of Houston as a special place with special characters. Had to have reason for a,n ocean shipping company to come and set up shop.Had to have a reason for cargo to come. Hansa Line incident. There were different approaches used. A certain kind or approach for a shipping company, or a general mills or even some oil field equipment manufacturer, or some fruit exporter in Orange County. Transporting goods to a port by rail cost the same whether it was to NEW Orleans or Houston. How to attract that business to Houston? Those days could work with the railways on adjusting the rate. Not enough for a port of have ships coming and going. Has got to have good service and regularity. Ships have to come and leave like clockwork. (Someone walks in 01:22:27)

(INTERVIEW RESUMES AT 01:23:14)

Rating the different types of cargo that was dealt with. Each category break bulk encompasses different things. Break bulk means anything that is loose and not containerized. Dry bulk meaning hot ash, fertilizer, exports that moves as a non packaged good. Moves by conveyor or by clam shell. bucket, petroleum, coal. Liquid bulk is anything petrochemical, crude. Containers are measured in TEUs or twenty foot equivalent units. Can have anything in a container from automobiles to coffee. "The bread and butter for the port authority. for so many years has been import steel." Because of two reasons. Economy and marketplace and the other because the port of Houston or port authority were able to offer the importer a direct discharge. Meaning ship pulls up to the dock, anchors, stevedore comes in to unload the ship with union labor. Take it directly out of the hold of the ship with cranes etc. and put it on a truck which leaves immediately to the ultimate user or to a warehouse. By doing this can avoid additional reloading charges.

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RORO refers to Roll on and Roll off. refers to wheeled cargo, tractors, caterpillar, rolling stock of all kinds. RORO refers to the kind of ship that is designed to handle that sort of cargo. Easier, more efficient.

Was important to maintain a relationship with the railroads and truckers. Good trucking companies exist.

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Port authority establishes relationship between the exporter and the carrier. Houston has five or six carriers.

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Was raised in Tulia based on the fact that father inherited all this land. Did not want to spend life worrying about ploughing the field. If had stayed would have expanded. Made the decision to go to Texas Tech and studied International Trade. American institute of Foreign trade specializes in international business. Language. Decided to study French. Roommates were a New York Jew, Cleveland Presbyterian and a Chinese-Indonesian Baptist. Next door neighbor was Peter Jacob Marie Defries. Father had a candy manufacturing business. He was from Netherlands. Was introduced to Edith Piaf by him. Fell in love with her music. Used to be active with the international community.

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Disgusted by the recent events of the Port Authority. Those positions, commissioners and staff are dealing with public funds and public trust. Even the allegations taint the reputation of the port authority, and some of that may be transferred to the port authority in general, it has to be squeaky clean. Developing new facilities leaves a lot to be desired. Cruise terminal. Why is Houston trying to be a cruise port when the cruise port is Galveston?

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Can only go back to people who have influenced. Houston and Galveston have been adversaries as ports. Galveston is very provincial and narrow minded community and very labor conscious and not particularly open to outsiders. Competition has been exacerbated over the years. Competition has grown to include Savannah, Charleston, NY, NJ, Seattle, San Francisco. Wanted to see an elimination of local, provincial competition. Galveston wanted to set up container terminal. But that was not necessary. Transportation costs between Houston and Galveston.

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Tri-county port authority - Harris, Galveston and Chambers. Regional approach to the ports. No container port in Texas City.

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Port of South Louisiana is the biggest cargo port in the US. Mostly dry bulk. There were efforts to merge Galveston and Houston. Galveston voted it down. Houston went into the deal "like the arrogant, big boy on the block."

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American Rice. Allen Parkway. Truckloads of rice being transported daily. Could not unload trucks properly. American Rice got irritated and took their business to Port of

Freeport. If there was a regional Port Authority it would not have mattered. Business would have been in the Greater Galveston Area.

Had a petition floating around a few years ago to change the name of Galveston Bay to the Houston bay and the Gulf of Mexico to Gulf of Texas.